

108TH CONGRESS
2D SESSION

H. R. 5080

To amend the Internal Revenue Code of 1986 to allow employers a \$1,000 credit against income tax for every 3 years that they employ a veteran.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 2004

Mr. SAXTON (for himself, Mr. BURR, Mr. WILSON of South Carolina, Mr. CARDOZA, Mr. MEEHAN, Mr. WALSH, Mr. GARRETT of New Jersey, Mr. STENHOLM, Mr. SHERWOOD, Mr. LOBIONDO, Ms. ROS-LEHTINEN, Mr. SANDLIN, Mr. SENSENBRENNER, Mr. GIBBONS, and Mr. TOWNS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow employers a \$1,000 credit against income tax for every 3 years that they employ a veteran.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veterans’ Employment
5 Act of 2004”.

1 **SEC. 2. \$1,000 INCOME TAX CREDIT EVERY 3 YEARS FOR EM-**
2 **PLOYING A VETERAN.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to business related credits) is amended by
6 inserting after section 45F the following new section:

7 **“SEC. 45G. EMPLOYER CREDIT FOR EVERY 3 YEARS OF**
8 **FULL-TIME EMPLOYMENT OF VETERAN.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 veteran employment credit determined under this section
11 for the taxable year is \$1,000 for each veteran (as defined
12 in section 101 of title 38, United States Code) whose has
13 a 3-year employment period ending during the taxable
14 year.

15 “(b) 3-YEAR EMPLOYMENT PERIOD.—For purposes
16 of this section, a veteran’s 3-year employment period is
17 each 3-year period throughout which the veteran is a full-
18 time employee of the taxpayer (or a predecessor) in a
19 trade or business. A day of employment shall be taken into
20 account under the preceding sentence with respect to any
21 employment period only if not taken into account with re-
22 spect to any prior period.

23 “(c) SPECIAL RULES.—

24 “(1) INFLATION ADJUSTMENT.—In the case of
25 any taxable year beginning in a calendar year after

1 2005, the dollar amount contained in subsection (a)
 2 shall be increased by an amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
 5 mined under section 1(f)(3) for the calendar
 6 year in which the taxable year begins, deter-
 7 mined by substituting ‘calendar year 2004’ for
 8 ‘calendar year 1992’ in subparagraph (B)
 9 thereof.

10 Any increase determined under the preceding sen-
 11 tence shall be rounded to the nearest multiple of
 12 \$50.

13 “(2) OTHER RULES.—Rules similar to the rules
 14 of section 52 shall apply for purposes of this sec-
 15 tion.”

16 (b) CREDIT MADE PART OF GENERAL BUSINESS
 17 CREDIT.—

18 (1) IN GENERAL.—Subsection (b) of section 38
 19 of such Code (relating to current year business cred-
 20 it) is amended by striking “plus” at the end of para-
 21 graph (14), by striking the period at the end of
 22 paragraph (15) and inserting “, plus”, and by add-
 23 ing at the end thereof the following new paragraph:

24 “(16) the veteran employment credit deter-
 25 mined under section 45G(a).”.

1 (2) LIMITATION ON CARRYBACK.—Subsection
 2 (d) of section 39 of such Code is amended by adding
 3 at the end the following new paragraph:

4 “(11) NO CARRYBACK OF VETERAN EMPLOY-
 5 MENT CREDIT BEFORE EFFECTIVE DATE.—No por-
 6 tion of the unused business credit for any taxable
 7 year which is attributable to the credit determined
 8 under section 45G may be carried back to any tax-
 9 able year beginning on or before the date of the en-
 10 actment of this paragraph.”.

11 (c) CLERICAL AMENDMENT.—The table of sections
 12 for subpart D of part IV of subchapter A of chapter 1
 13 of such Code is amended by inserting after the item relat-
 14 ing to section 45F the following new item:

 “Sec. 45G. Employer credit for every 3 years of full-time employ-
 ment of veteran.”.

15 (d) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 the date of the enactment of this Act; except that such
 18 amendments shall take into account periods of employ-
 19 ment on or before such date.

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